



DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-580-871

Grain-Oriented Electrical Steel from the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that grain-oriented electrical steel (GOES) from the Republic of Korea is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is July 1, 2012, through June 30, 2013. The estimated weighted-average dumping margins of sales at LTFV are listed in the “Preliminary Determination” section of this notice. Interested parties are invited to comment on this preliminary determination.

EFFECTIVE DATE: **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.]**

FOR FURTHER INFORMATION CONTACT: Mark Flessner or Robert James, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6312 or (202) 482-0649, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department initiated this investigation on October 24, 2013.¹ For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum dated concurrently with and hereby adopted by this notice.² The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The scope of the investigation covers grain-oriented electrical steel, which is a flat-rolled alloy steel product containing by weight specific levels of silicon, carbon, and

¹ See Grain-Oriented Electrical Steel from the People's Republic of China, the Czech Republic, Germany, Japan, the Republic of Korea, Poland, and the Russian Federation: Initiation of Antidumping Duty Investigations, 78 FR 65283 (October 31, 2013) (Initiation Notice). AK Steel Corporation, Allegheny Ludlum, LLC, and the United Steelworkers (collectively, the petitioners) filed the underlying petitions. *Id.*, at 65283.

² See memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Gary Taverman, Senior Advisor for Antidumping and Countervailing Duty Operations, entitled: "Decision Memorandum for the Preliminary Determination of the Antidumping Duty Investigation of Grain-Oriented Electrical Steel from the Republic of Korea" (Preliminary Decision Memorandum).

aluminum. For a complete description of the scope of the investigation, see Appendix I to this notice.

Various parties submitted comments on the scope. For discussion of these comments, see the Preliminary Decision Memorandum.

Tolling and Postponement of Deadline for Preliminary Determination

As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department exercised its discretion to toll deadlines for the duration of the partial closure of the Federal Government from October 1, through October 16, 2013.

Therefore, all deadlines in this segment of the proceeding have been extended by 16 days.³ If the new deadline falls on a non-business day, in accordance with the Department's practice, the deadline will become the next business day.⁴

On February 10, 2014, the petitioners made a timely request for a 50-day postponement of the preliminary determinations for this and the other concurrent GOES LTFV investigations, pursuant to section 733(c)(1)(A) of the Act and 19 CFR 351.205(e). On February 20, 2014, we postponed the preliminary determinations by 50 days.⁵ As a result of the postponement and aforementioned tolling, the revised deadline for the preliminary determination of this investigation is now May 2, 2014.

Methodology

The Department conducted this investigation in accordance with section 731 of the Act.

³ See Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government," dated October 18, 2013.

⁴ See Notice of Clarification: Application of "Next Business Day" Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended, 70 FR 24533 (May 10, 2005).

⁵ See Grain-Oriented Electrical Steel From the People's Republic of China, the Czech Republic, Germany, Japan, the Republic of Korea, Poland, and the Russian Federation: Postponement of Preliminary Determinations in the Antidumping Duty Investigations, 79 FR 11082 (February 27, 2014).

Export price (EP) is calculated in accordance with section 772 of the Act. Normal value (NV) is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum. A list of the topics included in the Preliminary Decision Memorandum is included in Appendix II to this notice.

Preliminary Determination

The preliminary estimated weighted-average dumping margins are as follows:

Producer or Exporter	Estimated Weighted-Average Dumping Margin (Percent)
POSCO	5.34
All Others	5.34

Disclosure

We will disclose the calculations performed to parties in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i) of the Act, we intend to verify information relied upon in making our final determination.

Public Comment

Interested parties are invited to comment on the preliminary determination. Interested parties may submit case briefs to the Department no later 30 days after the date of publication

of the preliminary determination.⁶ Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs.⁷ A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department.⁸ Executive summaries should be limited to five pages total, including footnotes. Interested parties who wish to comment on the preliminary determination must file briefs electronically using IA ACCESS. An electronically-filed document must be received successfully in its entirety by IA ACCESS by 5 p.m. Eastern Standard Time on the date the document is due.

In accordance with section 774 of the Act, the Department will hold a hearing, if timely requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party.⁹ Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using IA ACCESS, as noted above, within 30 days after the date of publication of this notice.¹⁰ Requests should contain the following information: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed.¹¹ If a request for a hearing is made, we will inform parties of the scheduled date and time of the hearing which will be held at the U.S. Department of

⁶ See 19 CFR 351.309(c)(1)(i).

⁷ See 19 CFR 351.309(d)(1) and 19 CFR 351.309(d)(2).

⁸ See 19 CFR 351.309(c)(2).

⁹ See also 19 CFR 351.310.

¹⁰ See 19 CFR 351.310(c).

¹¹ Id.

Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230.¹² Parties should confirm by telephone the date, time, and location of the hearing.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of GOES from the Republic of Korea as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register.

Pursuant to 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit¹³ equal to the preliminary weighted-average amount by which NV exceeds U.S. price, as indicated in the chart above, as follows: (1) the rate for POSCO will be the estimated weighted-average dumping margin we determine in this preliminary determination; (2) if the exporter is not a firm identified in this investigation, but the producer is, then the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 5.34 percent. These suspension of liquidation instructions will remain in effect until further notice.

Postponement of Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made

¹² See 19 CFR 351.310.

¹³ See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by Petitioner. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

Respondent POSCO requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (i.e., to 135 days after publication of the preliminary determination), and agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a period not to exceed six months.¹⁴ In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative; (2) the requesting producer or exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are postponing the final determination until no later than 135 days after the publication of this notice in the Federal Register and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we will issue our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.¹⁵

International Trade Commission (ITC) Notification

In accordance with section 733(f) of the Act, we will notify the ITC of our preliminary affirmative determination of sales at LTFV. Because the preliminary determination in this

¹⁴ See letter from POSCO entitled, “Antidumping Duty Investigation of Grain-Oriented Electrical Steel from the Republic of Korea: Postponement Request of Final Determination,” dated February 5, 2014.

¹⁵ See 19 CFR 351.210(b)(2) and (e).

proceeding is affirmative, section 735(b)(2) of the Act requires that the ITC make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of GOES from the Republic of Korea no later than 45 days after our final determination.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Dated: May 2, 2014.

Appendix I – Scope of the Investigation

The scope of this investigation covers grain-oriented silicon electrical steel (GOES). GOES is a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths. The GOES that is subject to this investigation is currently classifiable under subheadings 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive. Excluded are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the HTSUS as a transformer part (i.e., laminations).

Appendix II – List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Period of Investigation
4. Scope of the Investigation
5. Scope Comments
6. Product Comparisons
7. Respondent Selection
8. Discussion of Methodology
 - A. Determination of the Comparison Method
 - B. Results of the Differential Pricing Analysis
 - C. Date of Sale
 - D. Export Price
 - E. Normal Value
9. Currency Conversion
10. Conclusion

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